

BEST LAW FIRMS[®]

RANKED BY *Best Lawyers*

LEGAL MARKET
REPORT 2026

For more than 15 years, Best Law Firms® has ranked exceptional firms in the United States using a methodology that combines client feedback, peer nominations and rigorous research. Each year, we survey firms of all sizes across the country to capture a complete picture of the legal industry.

Last year, for the first time, we aggregated and analyzed those anonymous results to create a uniquely comprehensive report on the state of the U.S. legal market. While many organizations provide benchmarking data on the largest firms, the breadth of our survey reveals insights across the spectrum—from global megafirms to large national players, midsize firms, smaller local and regional firms and solo practices.

For this, our second annual report, we examined survey data from 4,851 firms. Their responses shed light on financial performance, billing practices, client strategies, marketing priorities, workforce demographics and attitudes regarding hot-button legal industry issues like diversity and artificial intelligence.

ABOUT US

4,851

law firm survey responses—from
global mega firms and national
players to midsize firms and smaller
regional and solo practices.

KEY INSIGHTS

- 1 Revenue climbed again for smaller firms in 2025—but the gains weren't shared evenly across the market.** Overall revenue for midsize and small firms grew by 6.5% last year, an improvement on the 5.1% growth rate we reported in 2024. Yet, the data reveal that growth was uneven across size categories, and median revenue was flat or declined at many firms.
- 2 Flat fees lead as firms cautiously diversify billing models.** More firms said they are offering alternative billing arrangements to clients, but the options they provide are often limited. Flat fees are by far the most popular type of alternative arrangement, used by three-quarters of firms.
- 3 Client service steals the spotlight as firms overlook tech and diversity.** Firms regard superior client service and industry specialization as their primary differentiators from competitors. Even in the age of AI, however, just 1% cited operational efficiency through technology and less than 1% touted diversity.
- 4 Generative AI sparks interest, but real adoption remains elite.** Firms are taking a cautious approach to artificial intelligence. Although more than 70% of firms said they are exploring or piloting the use of generative AI tools, only the largest firms are reporting significant implementation.
- 5 Most small firms fly blind without a marketing strategy.** Nearly 70% of smaller firms lack a documented marketing or business development strategy—and 34% said they don't anticipate having one.
- 6 Diversity gains at junior levels haven't reached law firm leadership.** While 53% of associates are women and 28% belong to a racial or ethnic minority, the climb to the partnership remains steep. Just 32% of partners are women, and 13% are minorities.
- 7 Firms are silent on DEI as programs stay unchanged despite political heat.** Firms were reticent about discussing their diversity programs; 65% declined to do so. Among those who did, however, 97% said they have not changed their DEI programs in the wake of heightened political scrutiny.

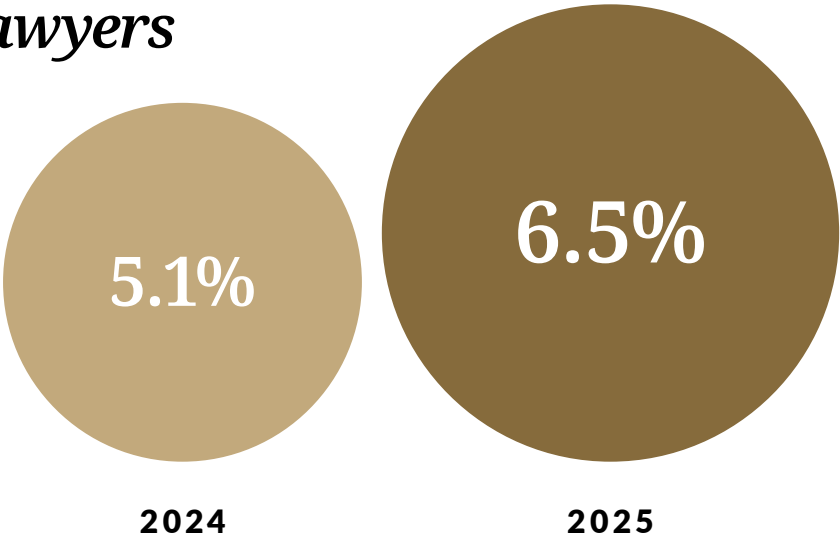
Financial Performance: How Firms Fared

Big Law’s annual revenues are well-documented, but the financial performance of firms outside the Am Law 200—i.e., the bulk of American law firms—can be far more difficult to determine. Our survey asks law firms of all sizes to provide their annual revenue for the previous fiscal year. This year, more than 1,700 firms with less than 150 lawyers provided data, a nearly 25% increase over our 2024 survey.

How did those firms do? Our data shows that, overall, revenue at smaller and midsize firms grew by a solid 6.5%. While not as supercharged as the 11.1% revenue spike reported for Am Law Second Hundred firms, the growth rate for midsize and smaller firms in the Best Law Firms survey was an improvement over the 5.1% increase we recorded last year.

Revenue per lawyer, a key benchmarking metric for firms, fell within a narrow range of \$533,000 to \$601,000 for firms of less than 150 lawyers. Firms of 20-49 lawyers were on the low end, and firms of 2-19 lawyers saw the highest per-lawyer revenue performance.

Year Over Year Revenue Growth, Firms of Less Than 150 Lawyers



Revenue Per Lawyer: Solo, Small, Midsize Firms



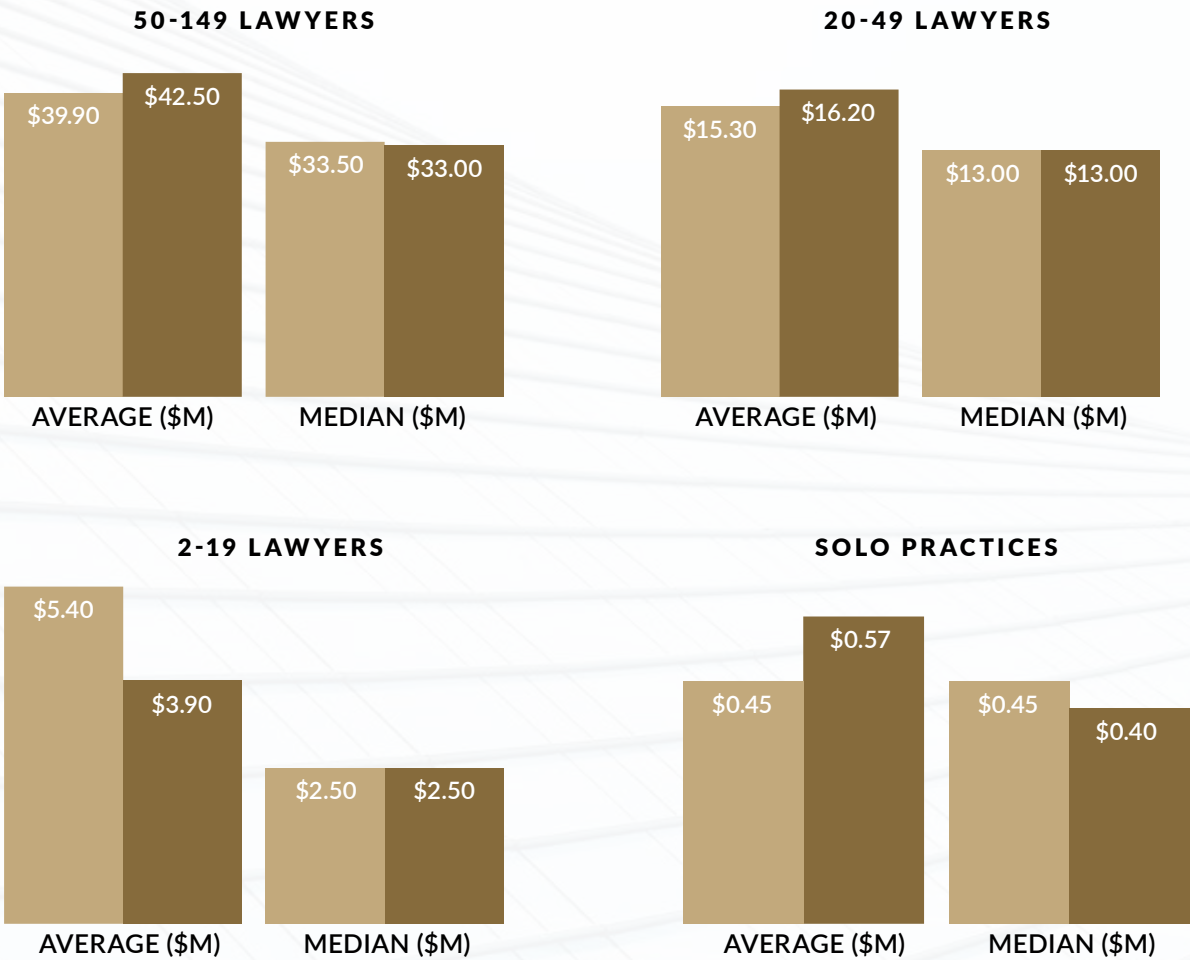
Financial Performance: How Firms Fared

However, given the potential impact of outliers whose revenue figures may be skewed by a large contingency windfall or some other one-off revenue event, it's worth examining the median revenue performance of smaller and midsize firms. From this vantage point, the picture is far less bright. Median revenue was flat or down slightly among most firms, suggesting that growth has been uneven across size categories and that many firms are not pulling levers—like

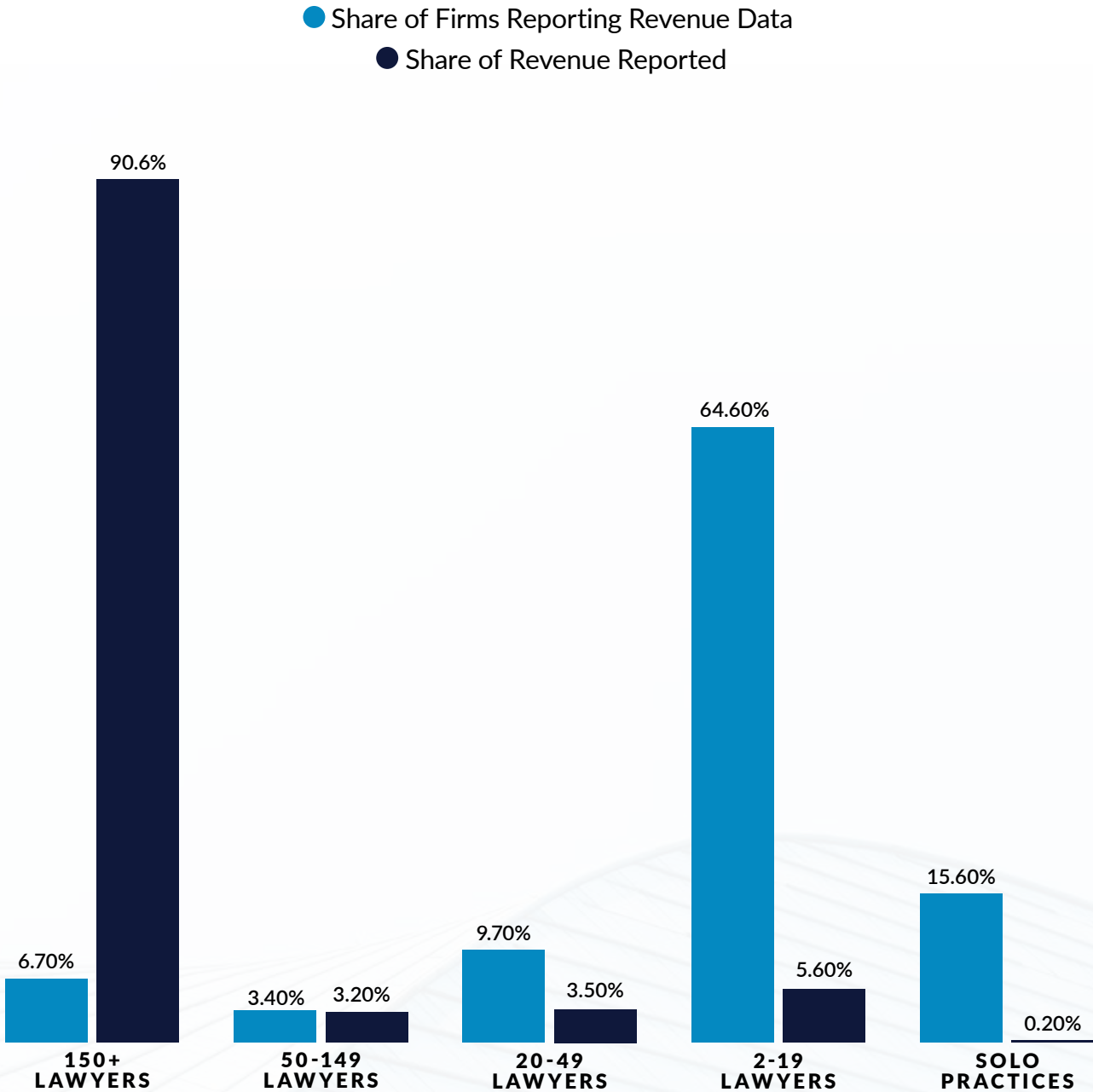
rate increases—that are sending growth rates among the largest firms into the double digits.

Among firms of 50-149 lawyers, for instance, median revenue declined from \$33.5 million last year to \$33 million. At firms with 20-49 lawyers, median revenue was unchanged from the previous year's \$13 million. Firms of 2-19 lawyers also saw no change in median revenue, holding at \$2.5 million.

Average and Median Revenue Per Firm Size 2024 2025



Share of Revenue: Large vs. Midsize and Small Firms



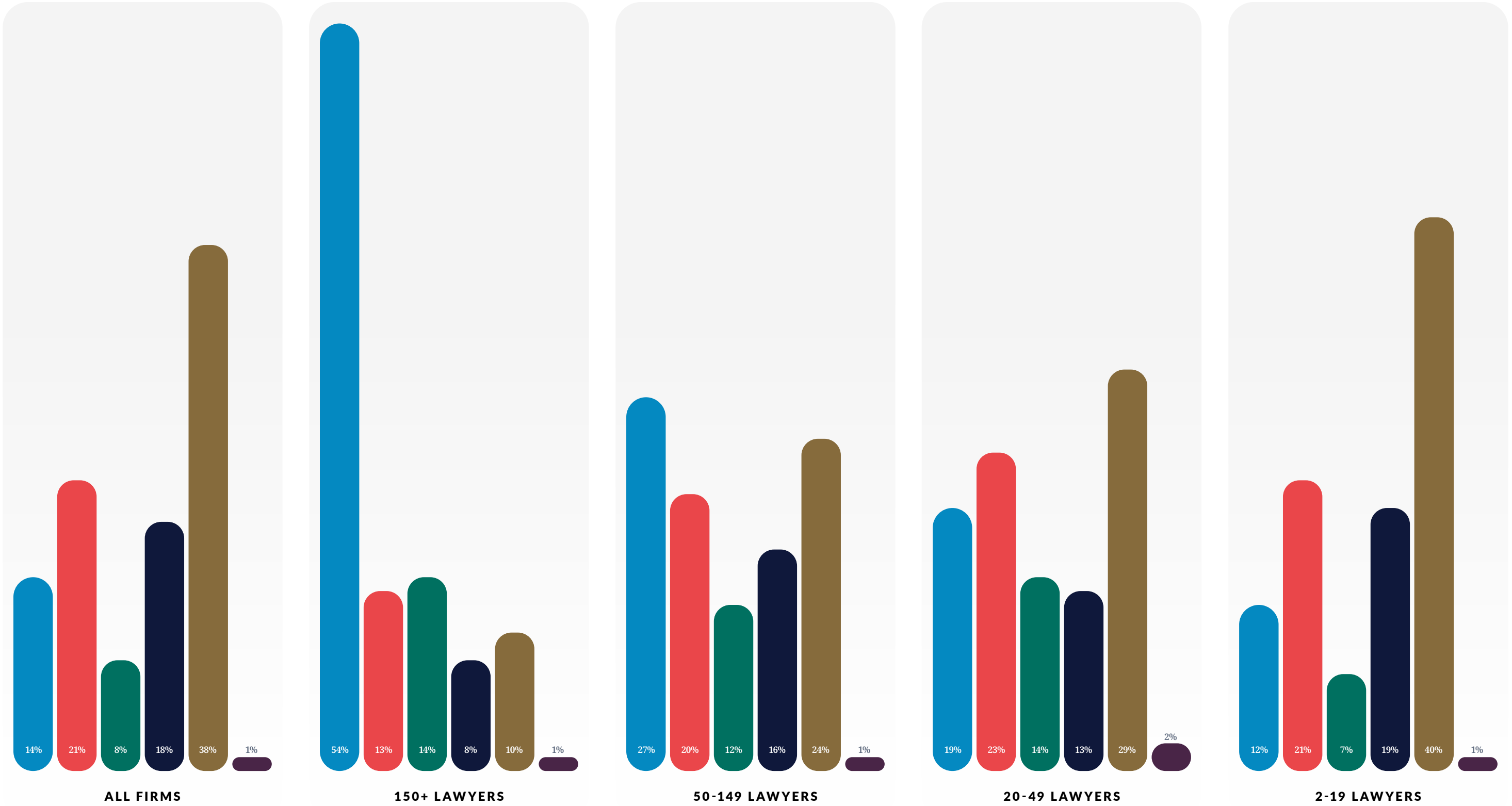
Midsize law firms are in the “somewhat precarious position” of needing to optimize revenue by increasing rates while keeping rates low enough to maintain a pricing advantage and capture market share from larger firms, a recent report by Thomson Reuters found.

Smaller and midsize firms clearly have their work cut out for them. In our survey, the largest firms—those with 150 or more lawyers—represented just 6.7% of the total firms providing revenue figures, yet they captured 90.6% of revenues reported.

ISTOCK/HELLOABC

Revenue Sources

Across market segments, clients closest to home—local or operating within the immediate region—provide more than 40% of the income for most firms. The exception is Big Law, which relies heavily on clients with a national footprint.



KEY

Nationwide

Statewide

Regional (Adjacent)

Regional (In-State)

Local

Other

Billing: Are Firms Delivering Alternatives?

Among the firms we surveyed, the vast majority report offering alternative fee arrangements (AFAs). And more firms are offering a greater array of options to their clients, our survey shows.

Still, arrangements are being adopted unevenly. One arrangement—flat fees—is being used by nearly three-quarters of firms. Retainers, contingency fees, blended hourly rates and fixed fees are the only others used by 50% or more firms. With that said, a few types of arrangements saw major increases in usage this year. Retainers were up 24%; hybrid fees, 20%; and fixed fees, 16%.

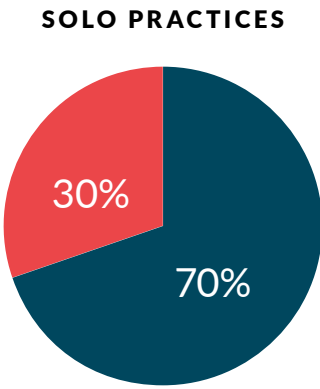
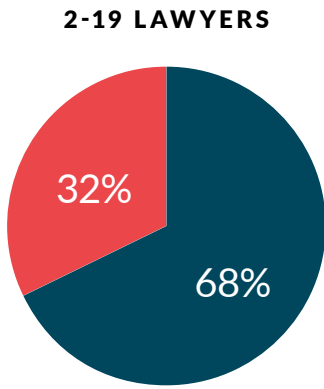
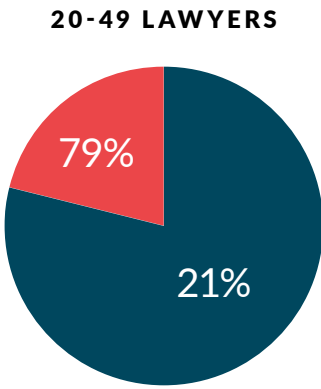
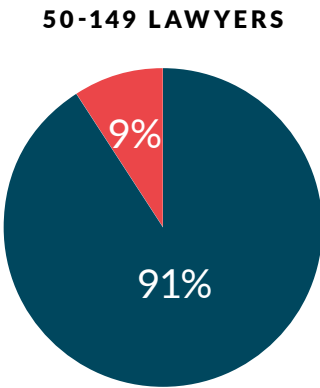
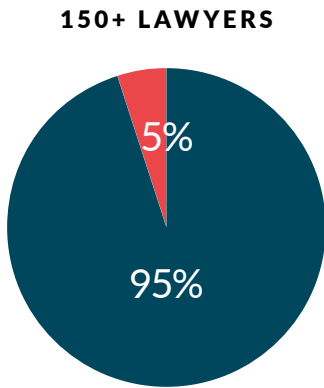
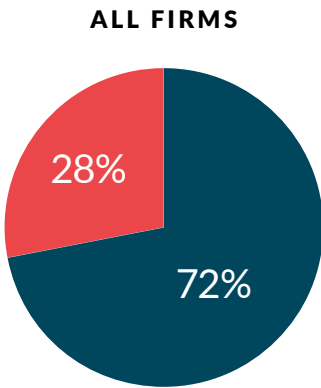
Which Alternative Billing Arrangements Does Your Firm Offer?

| Type of Arrangement | What it Does | % of Firms Using | Change From 2024 |
|---|---|------------------|------------------|
| Flat Fee | The law firm charges a predetermined amount for certain services, often routine or standardized legal matters. | 73% | 5% |
| Retainers | Clients make an upfront payment. Firms draw upon this amount as they do their work. | 67% | 24% |
| Contingency Fees | Fees that are paid only in the event of a successful judgment or settlement, usually a percentage of the amount awarded. | 62% | 3% |
| Blended hourly rates | The firm agrees to charge a single rate for all the lawyers working on a matter. | 55% | 3% |
| Fixed Fees | The law firm agrees its pricing will not exceed the maximum agreed upon with the client. | 50% | 16% |
| Capped Fees | The law firm agrees its pricing will not exceed a maximum agreed upon with the client. | 41% | 3% |
| Discount for Large Number of Billable Hours | A firm reduces its rates if a client commits to a large volume of legal work. | 40% | 0% |
| Hybrid Fees | In a hybrid arrangement, firms charge billable hours for a portion of their work and offer an alternative fee (capped, flat, contingency) for the rest. | 37% | 20% |
| Collared Fee | A client agrees to pay hourly rates within a range. Rates decrease if billable hours exceed the upper end of the range. | 6% | 3% |

YES

NO

Does Your Firm Offer Alternative Billing Arrangements?



Of the 4,092 law firms that provided a yes or no answer to the question “Does your firm offer alternative billing arrangements?” 72% said yes. That’s a nearly identical result to last year.

Alternative fee arrangements are most common among the largest firms. Nine out of 10 firms of 50 lawyers or more said they offer AFAs. The figure is closer to 7-8 out of

10 at firms with fewer than 50 lawyers. Taken another way, the data shows that—despite years of discussions about the death of the billable hour—more than a quarter of U.S. firms under 50 lawyers still offer no other option to their clients. And for the most part, what they do offer is limited to a few narrow options, particularly flat fees.

Billing: Are Firms Delivering Alternatives?

BILLING TRANSPARENCY

On average, billing issues accounted for only about 10% of the disputes law firms reported with clients last year. Most firms have gotten the message that an invoice simply stating “for services rendered” will no longer pass muster—particularly with in-house departments facing ever-greater scrutiny of their spending. Nine out of 10 firms said they are now presenting clients with detailed line-item invoices for the work they complete.

Other transparency practices are significantly less popular. While about three-quarters of firms are comfortable sharing upfront cost estimates with their clients, only 55% routinely offer regular budget updates during their engagements. Still fewer (54%) are using fixed fees or predictable pricing models to help clients anticipate legal costs.

As for using technology to help clients track spending, most firms are currently taking a pass. Just 14% said they offer online billing portals for clients to follow spending during an engagement. Expect that number to rise, however, as AI tools take on a greater share of the budgeting process.

*What Types
of Billing
Transparency
Practice Are Law
Firms Using?*



Clients: Who Are Law Firms Targeting?

Our survey offers a window into law firm relationships with current and prospective clients. Nearly 4,000 firms reported information about their most desired types of clients, how they describe their firms to prospects, the ways they differentiate themselves from competitors, how they handle client feedback and the methods they use to retain business.

A plurality of firms—40%—said they are looking primarily for corporate and business clients. Twenty-eight percent are targeting general consumer clients. And just under 20% are looking for an equal mix of both.

Eight in 10 firms of 150 lawyers or more are targeting corporate clients, while less than half that number of firms in the 2-19-lawyer range are seeking the same.

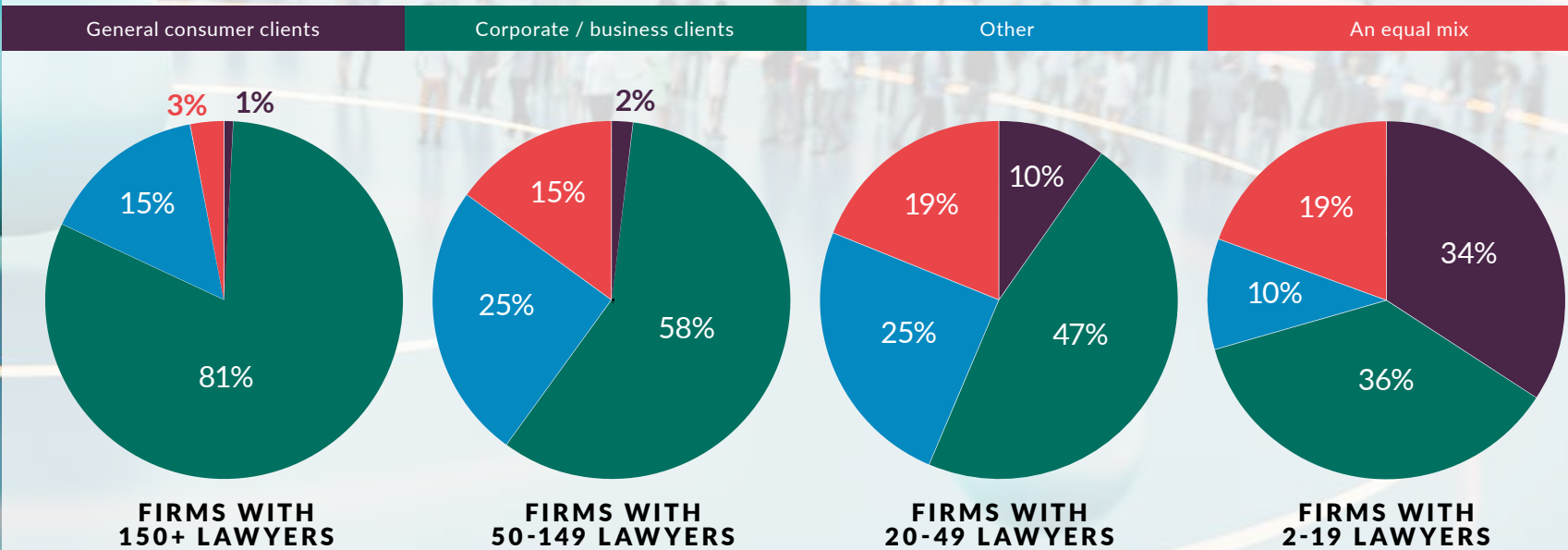
Among all firms, 1 in 10 said they want “other” clients, often in specific practice niches such as high-net worth individuals or government agencies.

Those numbers are highest among midsize firms taking our survey. A quarter of firms in the 50-149 lawyer and the 20-49 lawyer ranges said they are targeting clients in niche areas.

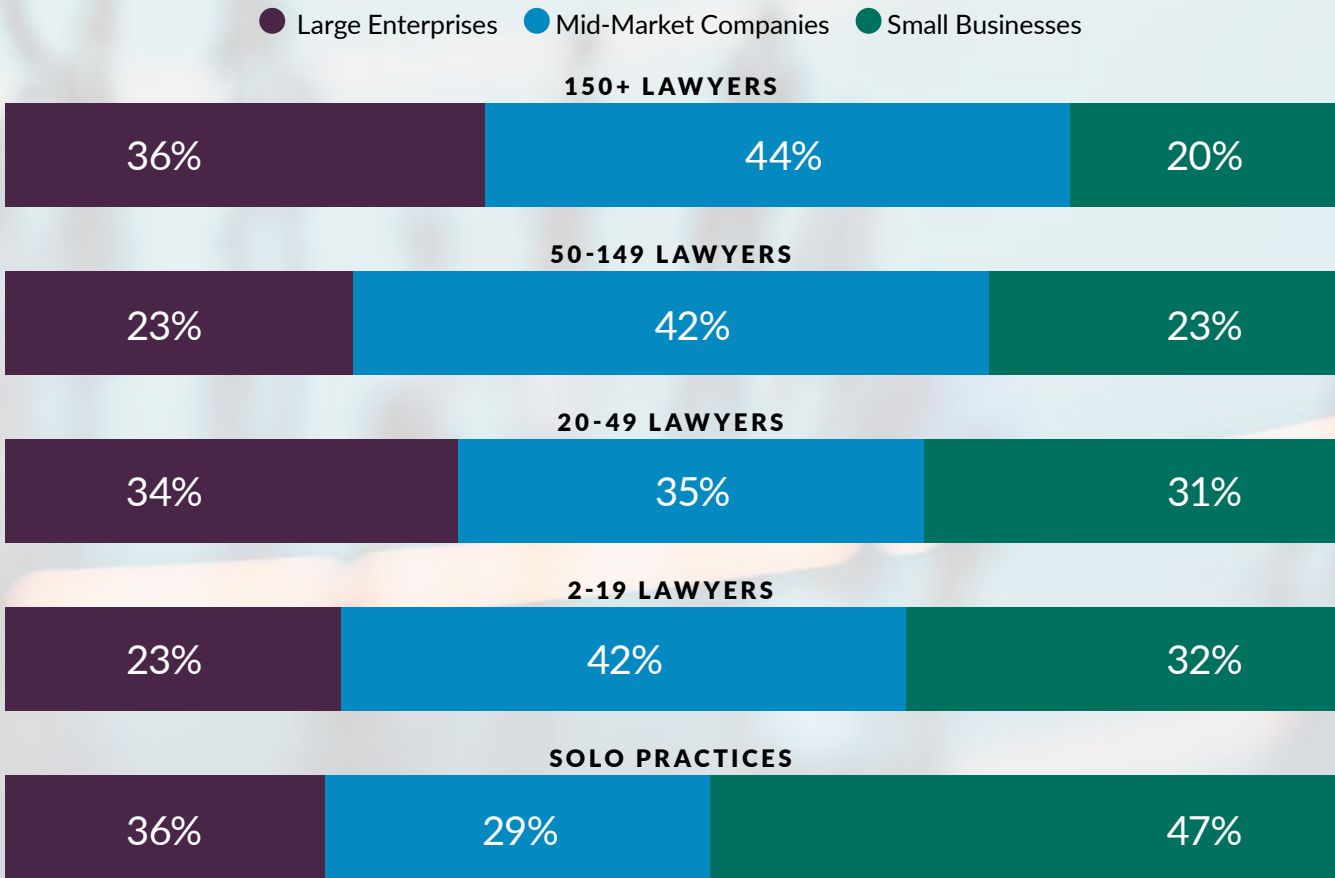
For corporate firms, the client mix tilts toward middle-market companies. Except for solo practitioners, every law firm segment said middle-market enterprises held the most slots on their client rosters. Among solos, small businesses ranked first.

Not surprisingly, Big Law had the largest company clients. They also served the highest percentage of mid-market enterprises, 44%. Firms of 20-49 lawyers had a balanced client mix, with small, medium and large businesses representing roughly one-third of their clients. All told, firms reported an average of 611 active clients. The numbers ranged widely depending on firm size, however. Firms of 150-plus lawyers reported 5,319 active clients on average; 50-149 lawyers, 2,092; 20-49 lawyers, 1,356; 2-19 lawyers, 398; and solos, 98.

Target Clients



Who Are Your Firm's Clients?



Clients: Who Are Law Firms Targeting?

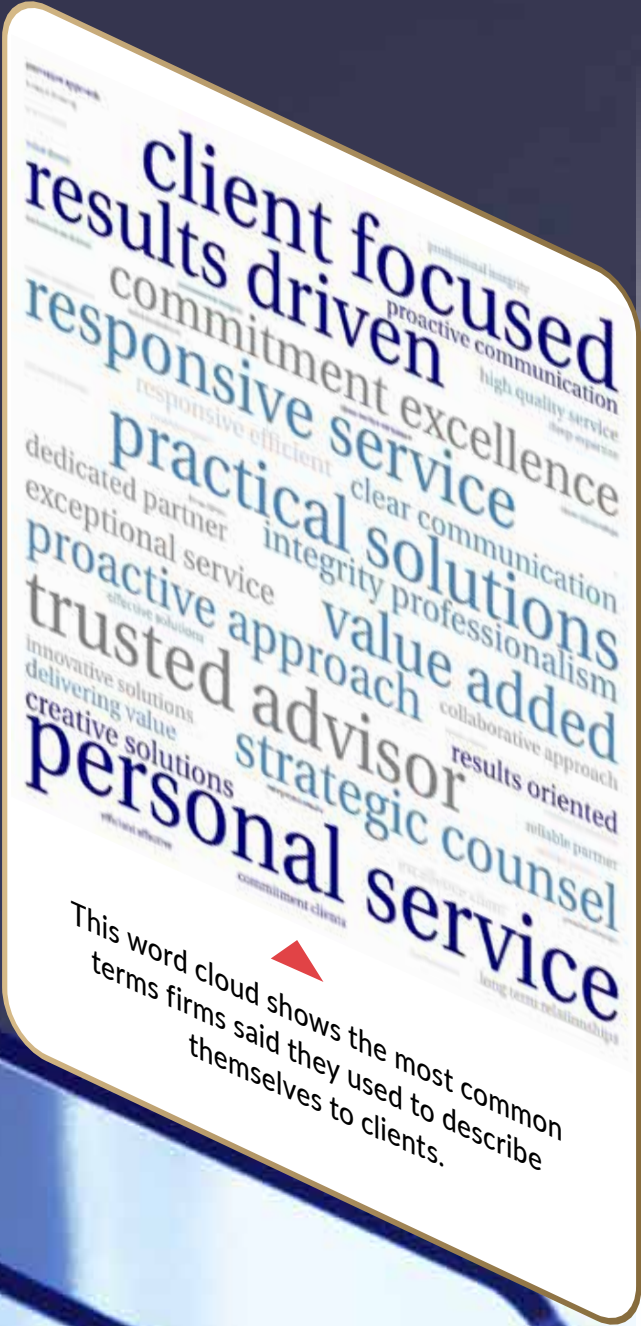
PITCHING TO CLIENTS

When it comes to differentiating themselves from their competitors, most firms emphasize their deep specialization in specific industries or practice areas. Roughly a quarter of large, midsize and small firms selected this option.

Touting the firm’s focus on client feedback and service improvement was the second-highest scorer, followed by efforts to build reputations through industry awards and rankings. Firms are less likely to discuss their alternative fee arrangements or their diversity, equity and inclusion initiatives.

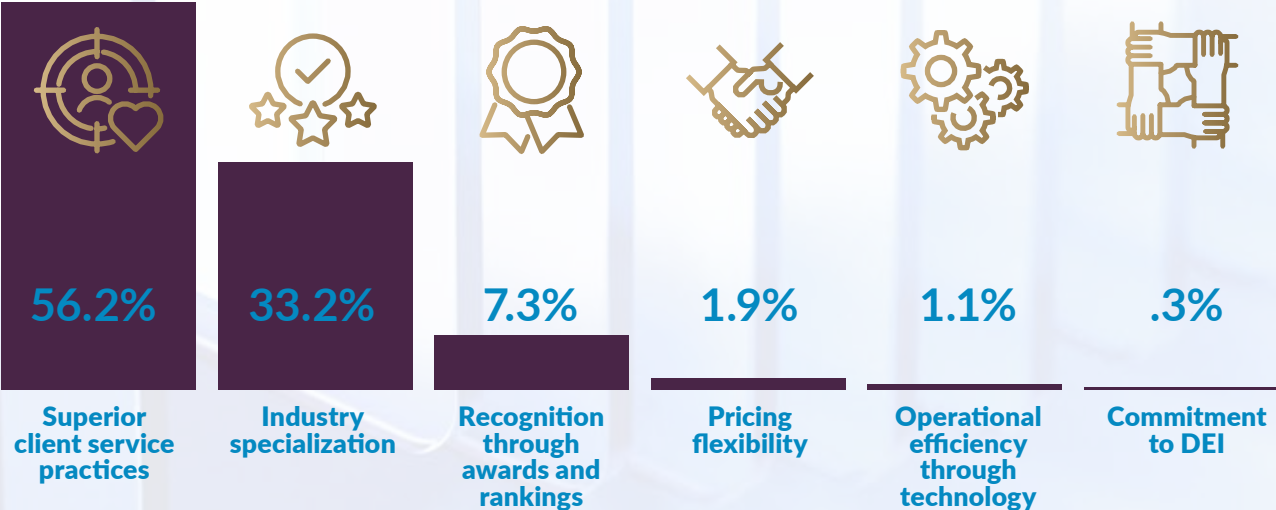
Similarly, commitment to DEI and pricing flexibility hardly registered in client retention and acquisition efforts, firms said. Operational efficiency through technology was also ineffective, firms said, although this may change as corporate clients look for AI-driven cost savings. By a wide margin, superior client service practices ranked highest (56.2%) among the strategies firms said they deployed. Industry specialization (33.2%) was second, with recognition through awards and rankings a distant third (7.3%).

We also asked firms, “How do you describe your firm to potential clients?” More than 800 firms provided open-ended answers describing their approach. With the help of artificial intelligence, we examined which keywords or phrases firms used most often. “Personal service” was the most frequently used phrase.



| Which Strategies Does Your Firm Prioritize to Differentiate Itself From Competitors? | 150+ Lawyers | 50-149 Lawyers | 20-49 Lawyers | 2-19 Lawyers | Solo Practices |
|--|--------------|----------------|---------------|--------------|----------------|
| Building a reputation through industry awards and rankings | 15% | 16% | 19% | 20% | 22% |
| Deep specialization in specific industries or practice areas | 23% | 28% | 26% | 29% | 25% |
| Emphasizing diversity, equity and inclusion initiatives | 11% | 10% | 8% | 4% | 2% |
| Investing in cutting-edge legal technology to enhance efficiency | 17% | 14% | 13% | 11% | 9% |
| Maintaining a strong focus on client feedback and service improvement | 20% | 19% | 22% | 24% | 25% |
| Offering alternative fee arrangements (e.g., flat fees, success fees) | 13% | 12% | 11% | 8% | 11% |
| Other | 1% | 2% | 2% | 4% | 6% |

Which Strategies Have Contributed Most Significantly to Your Firm's Client Retention or Acquisition Efforts in the Past Year?



Client Engagement

MEASURING CLIENT SATISFACTION

Firms may gauge satisfaction by asking clients directly or measuring how many have hired them for a return engagement or referred them to another client. As for direct discussions, only the largest firms are conducting formal client feedback or satisfaction surveys with any regularity. Just under half said they survey clients at least annually.

At the other end of the spectrum, the smallest firms—less than 20 lawyers—are the most hostile to the concept. More than a third of firms under 20 lawyers and just under 60% of solos said they don't ask for formal feedback, nor do they plan to.

As for returning clients and referrals, the firms garnering the most feedback are also the ones whose clients return to them most often. Fifty-one percent of the largest firms said their new work in the last year was the result of client renewals or referrals. Just a quarter of firms with 2-19 lawyers said the same.



Does your firm conduct formal client feedback or satisfaction surveys?

- Yes, regularly (e.g., annually).
- Yes, occasionally (e.g., after major matters).
- No, but we plan to in the future.
- No, and we do not plan to.

What percentage of your firm's new work in the past year came from returning clients or client referrals?

- More than 75%
- 50%-75%
- 25%-50%
- Less than 25%

ALL FIRMS



FIRMS: SOLO PRACTICES



FIRMS: 2-19 LAWYERS



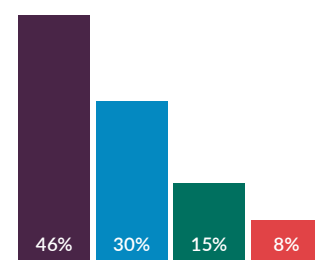
FIRMS: 20-49 LAWYERS



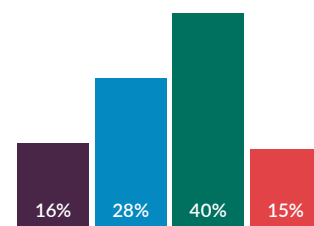
FIRMS: 50-149 LAWYERS



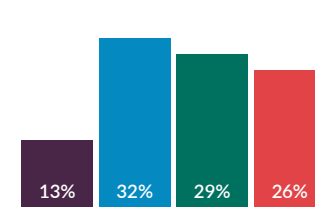
FIRMS: 150+ LAWYERS



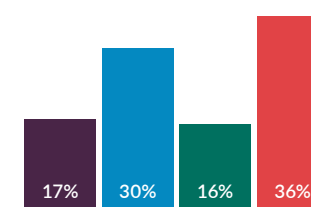
FIRMS: 150+ LAWYERS



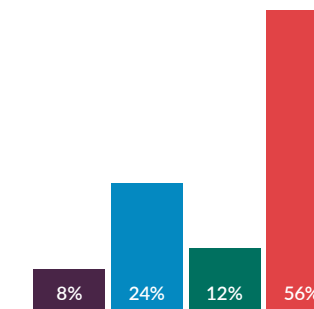
FIRMS: 50-149 LAWYERS



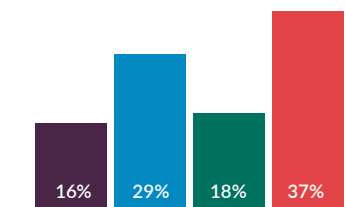
FIRMS: 20-49 LAWYERS



FIRMS: 2-19 LAWYERS



FIRMS: SOLO PRACTICES



ALL FIRMS

Artificial Intelligence: Playing It Safe

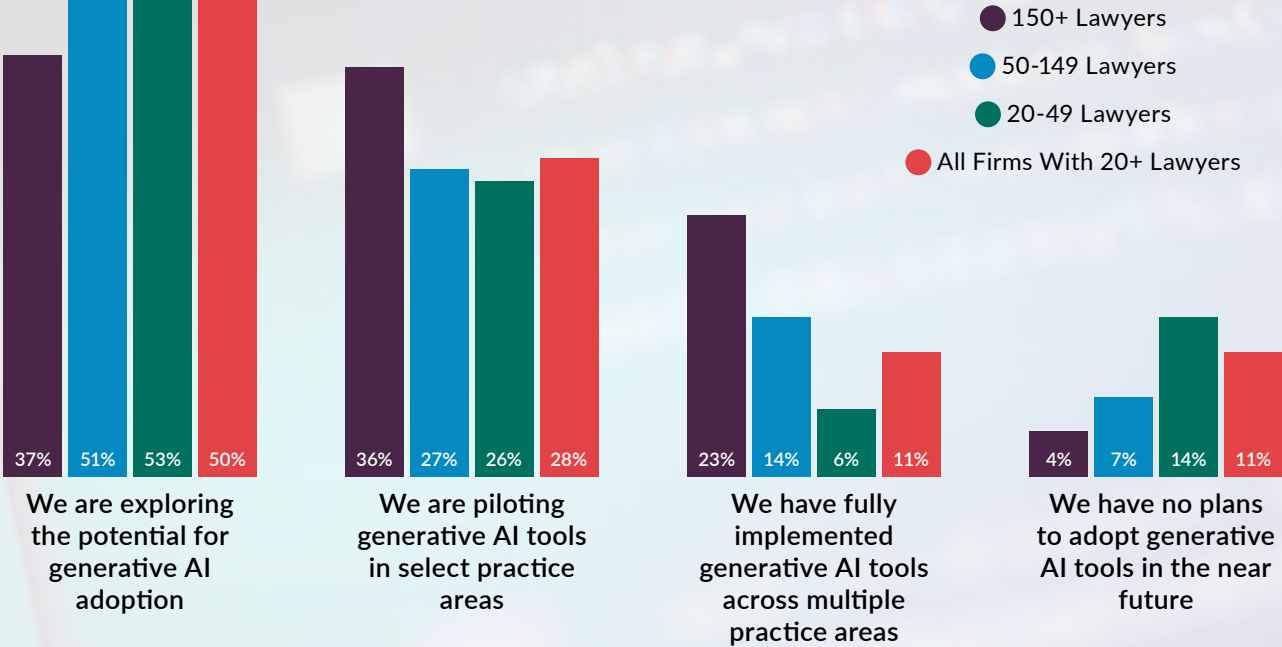
How much has artificial intelligence already affected client communications, billing practices and the way lawyers are doing their work—particularly the administrative tasks that come with running a law firm?

Thus far, most of the firms we surveyed continue to take a go-slow approach to AI. Across firms of all sizes, more than 70% are either exploring the potential for generative AI adoption or have launched pilot projects testing AI tools in select practice areas. Large law firms are the furthest along: Nearly a quarter say they have fully implemented generative AI tools across multiple practice areas.

We also asked midsize and larger firms how they are currently using AI tools or how they plan to use them in the future. Legal research and developing marketing content/pitches topped the list, followed by enhancing the firm’s knowledge management systems and automating routine correspondence.

While only a fraction of firms have fully implemented AI, a few are rejecting it outright. Solo practices and firms with fewer than 20 lawyers were the most resistant. Even among those firms, however, the numbers were low. Just 11% of solos and 14% of firms under 20 lawyers said they had no plans to embrace AI tools.

What Is the Current Level of Generative AI Adoption at Your Firm?



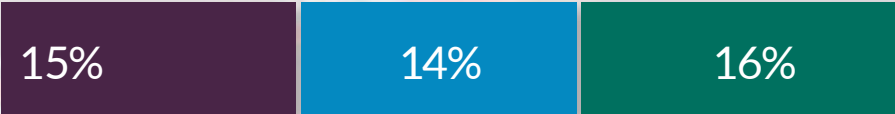
How Do You Use (or Plan to Use) AI?

150+ Lawyers 50-149 Lawyers 20-49 Lawyers

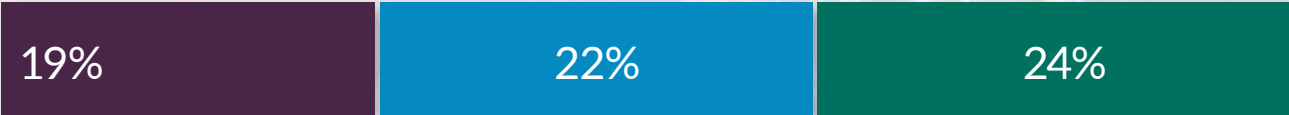
ANALYZE LITIGATION RISK/STRATEGY



AUTOMATE ROUTINE CORRESPONDENCE



CONDUCT LEGAL RESEARCH



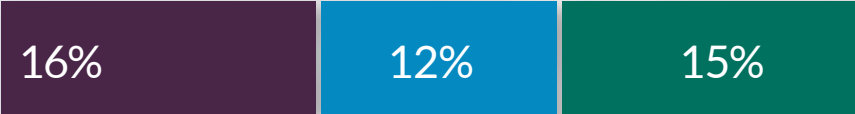
DEVELOP MARKETING CONTENT/PITCHES



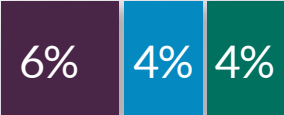
DRAFT CONTRACTS/OTHER LEGAL DOCUMENTS



ENHANCE KNOWLEDGE MANAGEMENT SYSTEMS



OTHER

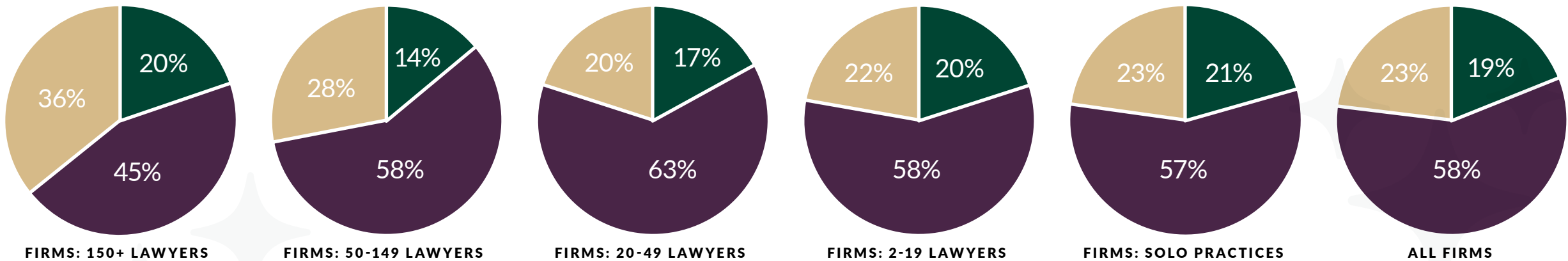
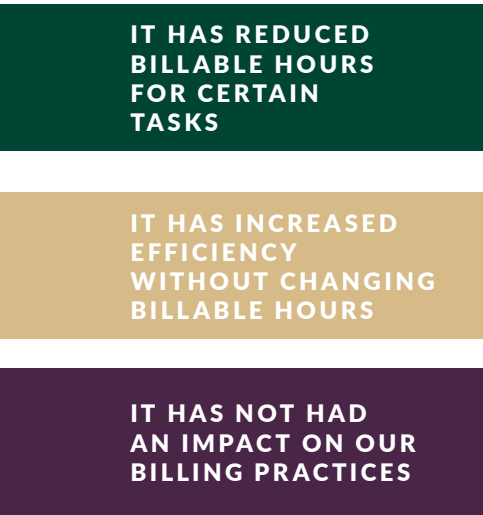


Artificial Intelligence: Playing It Safe

Many of the smallest firms, in fact, are already comfortable with automation. One-third of firms with less than 20 lawyers (including solos) said they had automated administrative tasks at their firms—more than any other size category.

Despite the small number of firms that have incorporated AI into their workflows, 40% said artificial intelligence is beginning to have an impact on their billing practices. At larger firms, where AI implementation is further along, the effects are more pronounced. Among firms with more than 150 lawyers, 55% said AI has affected billing, either by increasing efficiency without changing billable hours or by reducing billable hours for some tasks.

How Has Generative AI Affected Your Firm's Billing Practices?



What Percentage of Administrative Tasks Are Automated at Your Firm?

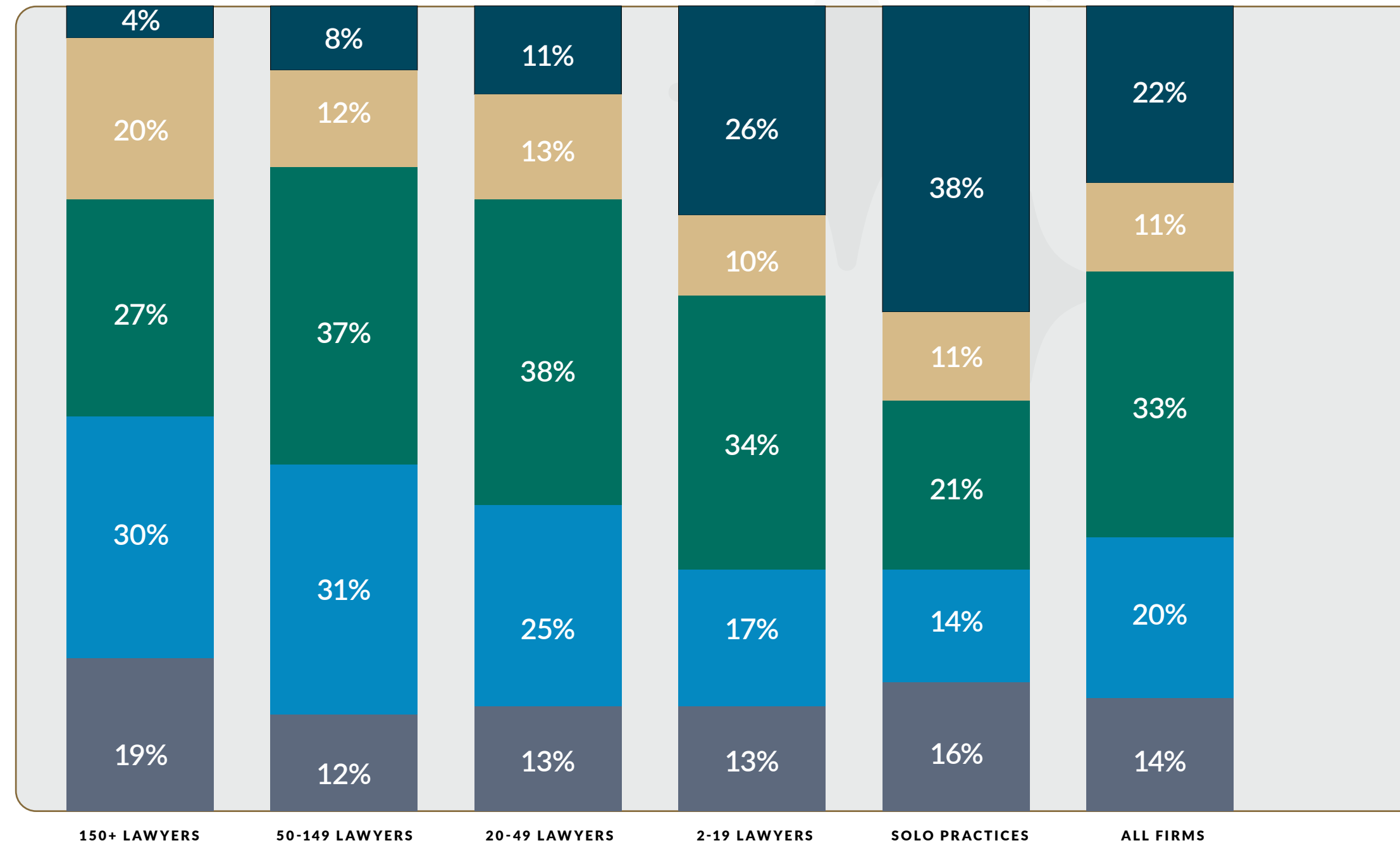


What Is Your Firm Doing to Ensure the Ethical Use of AI Tools?

Artificial Intelligence: Playing It Safe

For many firms, AI-related risk is a significant obstacle to embracing the technology. The list of law firms sanctioned by the courts for including fake, AI-generated case citations in court documents continues to grow. And AI hallucinations could pose a significant threat to client relationships and law firm reputations.

We asked firms what measures they were taking to ensure that generative AI is being used ethically. For larger firms, ensuring client consent for AI use is a priority. For firms of more than 20 lawyers, more than a quarter emphasized this policy. Among firms with fewer than 20 lawyers, training lawyers on the limitations and risks of generative AI is seen as critical. Despite the high-profile AI-generated mistakes that have embarrassed many lawyers in court, just 11% of firms said they regularly audit AI-generated outputs for accuracy.



Training lawyers on the limitations and risks of GenAI

Regular audits of AI-generated outputs for accuracy

Other

Ensuring client consent for AI use in their matters

Clear policies on when GenAI can be used in client matters

Marketing: Do Firms Have a Plan?

Word of mouth remains the most prevalent form of marketing for law firms—and even more so this year. In 2025, 9 out of 10 firms mentioned it as one of the key methods they use to reach potential clients. Last year, 7 in 10 firms said the same.

Firm websites also grew in favor, with 73% of firms mentioning them as one of their go-to marketing methods versus 59% in 2024. Events and speaking engagements picked up steam as well, used by 60% of firms compared to 51% last year. Social media is the only other form of marketing deployed by at least half of firms. Usage rose from 45% in 2024 to 50% this year.

The results largely track firms’ best methods for attracting new clients. Word of mouth and referrals topped the list by an overwhelming margin, with events and speaking engagements and the firm website a distant second and third.

Five most impactful methods for attracting new clients



How does your firm market to potential clients?



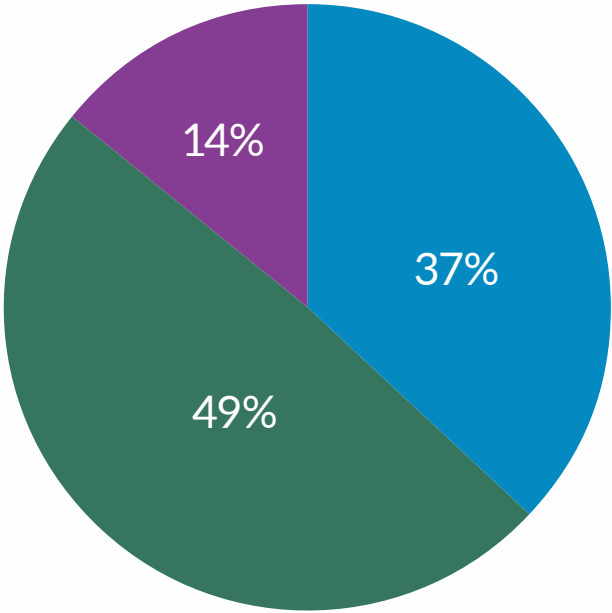
Marketing: Do Firms Have a Plan?

Roughly half of those surveyed spent 1% to 5% of their annual revenue on marketing efforts during the last year. Another 37% devoted less than 1% of revenue to marketing spend. A small portion of the market—14%—budgeted 6% to 10% of revenue.

Those figures are rising—or at least holding their own—at many firms. Overall, 35% of firms said their marketing budget increased this year.

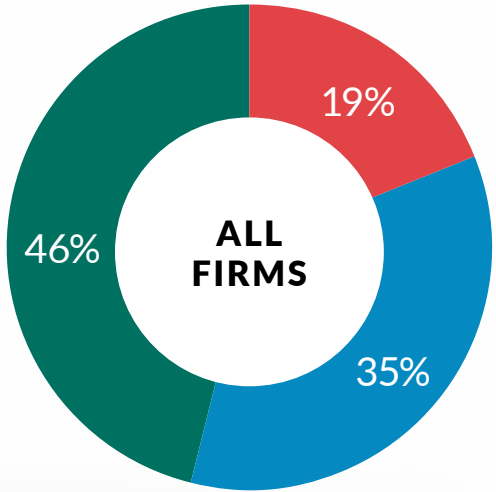
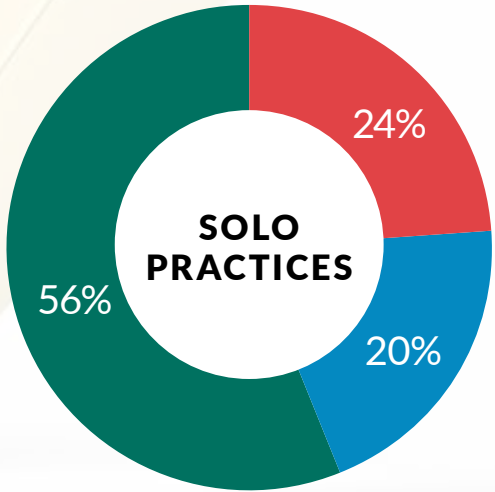
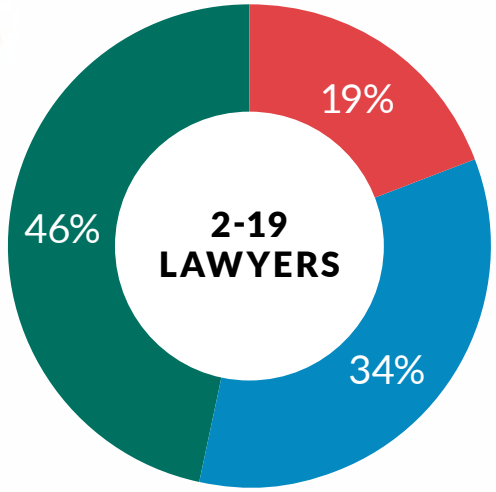
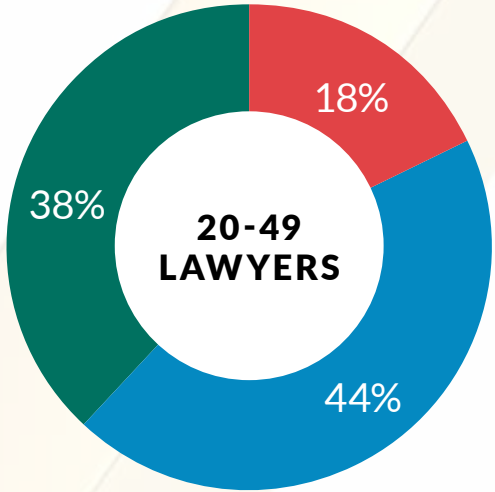
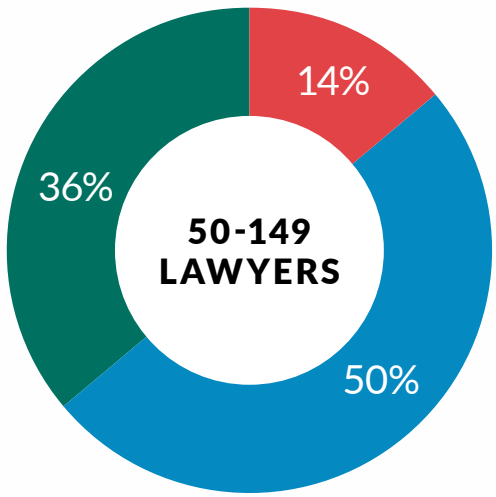
That includes 63% of firms with 150 or more lawyers and 50% of firms with 50-149 lawyers. At firms in the 20-49 lawyer range, a plurality—44%—said budgets went up. Spending held steady at firms with less than 20 lawyers and solo practices.

How much did you spend on marketing last year?

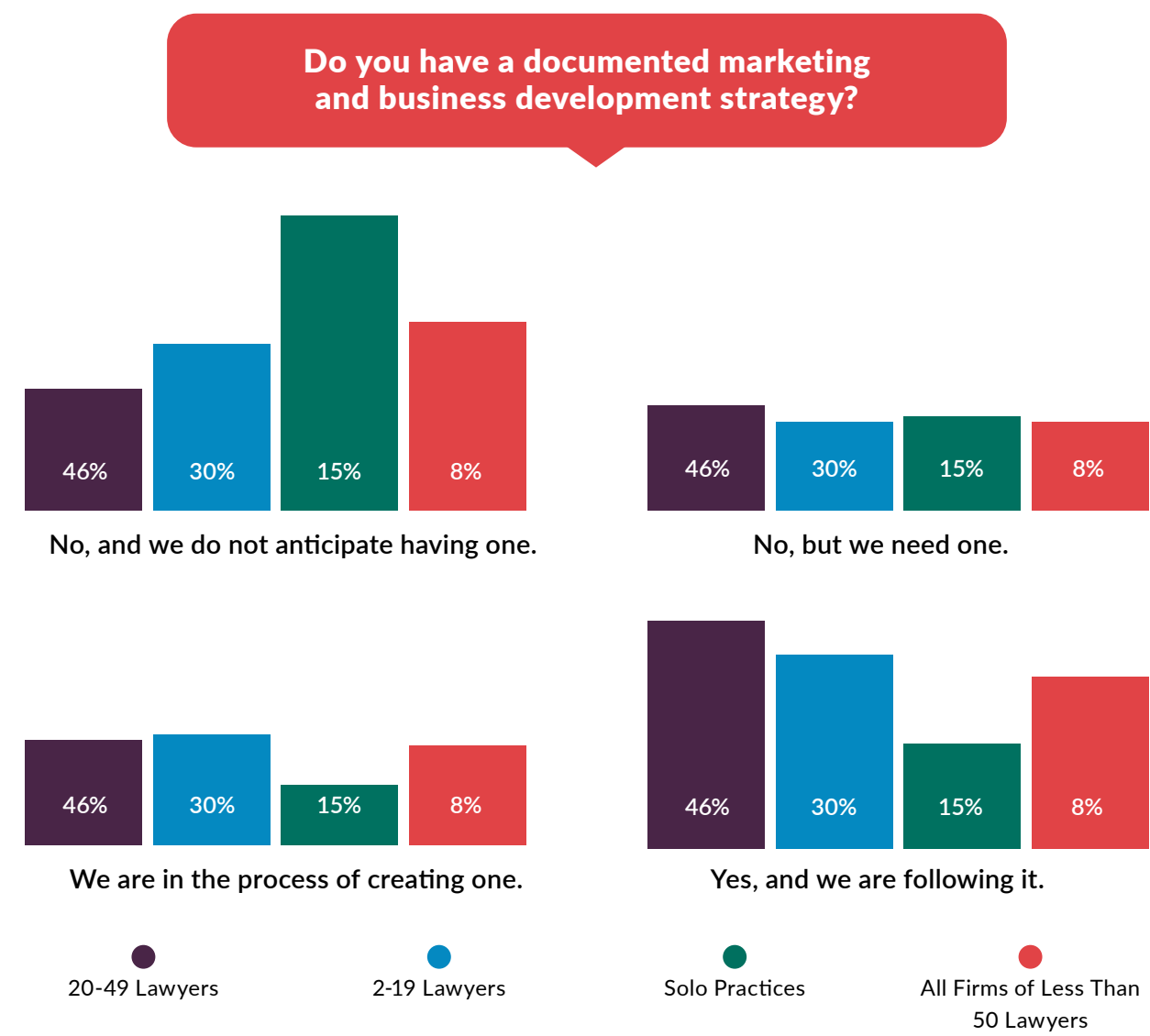


● Less than 1% of firm's 2024 revenue
● 1-5% of firm's 2024 revenue
● 6-10% of firm's 2024 revenue

Did Your Marketing Budget Increase, Decrease or Stay the Same This Year?



Marketing: Do Firms Have a Plan?



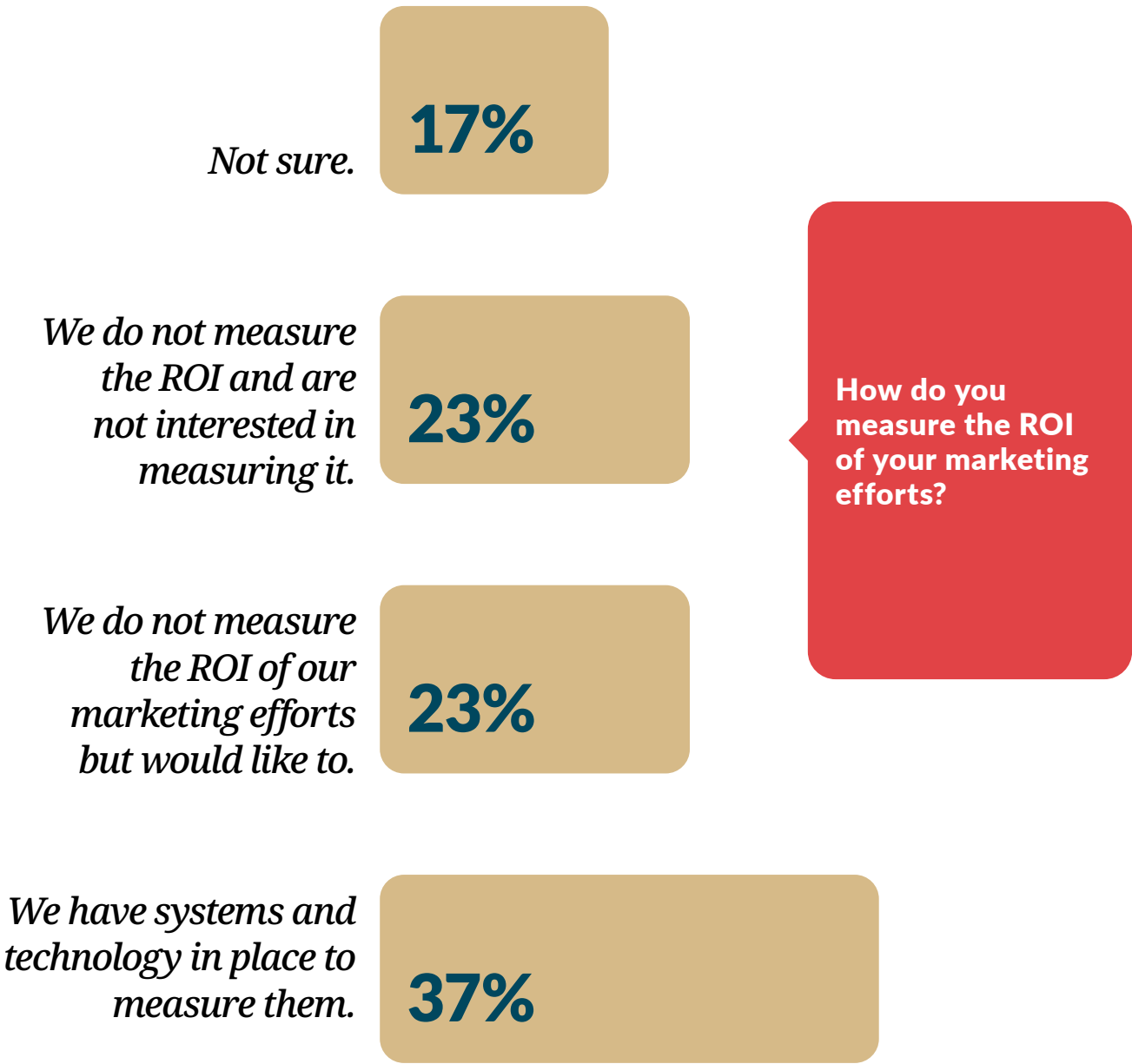
How they'll deploy those budgets and measure return on investment is another story.

At firms with less than 50 lawyers, 68% do not have a documented marketing and business development strategy. Of those, 18% said they are in the process of creating one. And another 16% acknowledge they need one.

A full one-third of smaller firms—34%—said

they don't have a plan and don't anticipate having one. Solo practices appear especially allergic to a documented strategy.

Without a plan, however, firms may be sabotaging their efforts to attract viable prospects and retain existing clients. The good news? Last year, matters were worse. In 2024, 41% of smaller firms said they didn't have a strategy and didn't anticipate having one.



Firms are also struggling to measure the return on investment from their marketing investments. Just 37% said they have the systems and technology in place to track ROI. Roughly a quarter of firms said they don't measure marketing ROI, but would like to do so. The same number of firms, however, said they are not interested in measuring ROI. And nearly 1 in 5 said they aren't sure what their firms do.

Most firms are looking for ways to attract new clients, build practice areas, increase their visibility and do it all for a reasonable price. Having a clear marketing and business development plan and a way to measure results is critical to achieve these goals—especially in an age of increasing competition and rapid technological change.

The Demographics of U.S. Firms

As part of the survey, firms provided details about the number of people they employ, the positions they hold and their gender, race and ethnicity.

OVERALL EMPLOYMENT

Law firms in our survey employ more than 232,000 people. On average, just over half of those positions—56%—are held by lawyers.

Another third are occupied by non-lawyer staff, and paralegals account for about 12% of the jobs at firms.

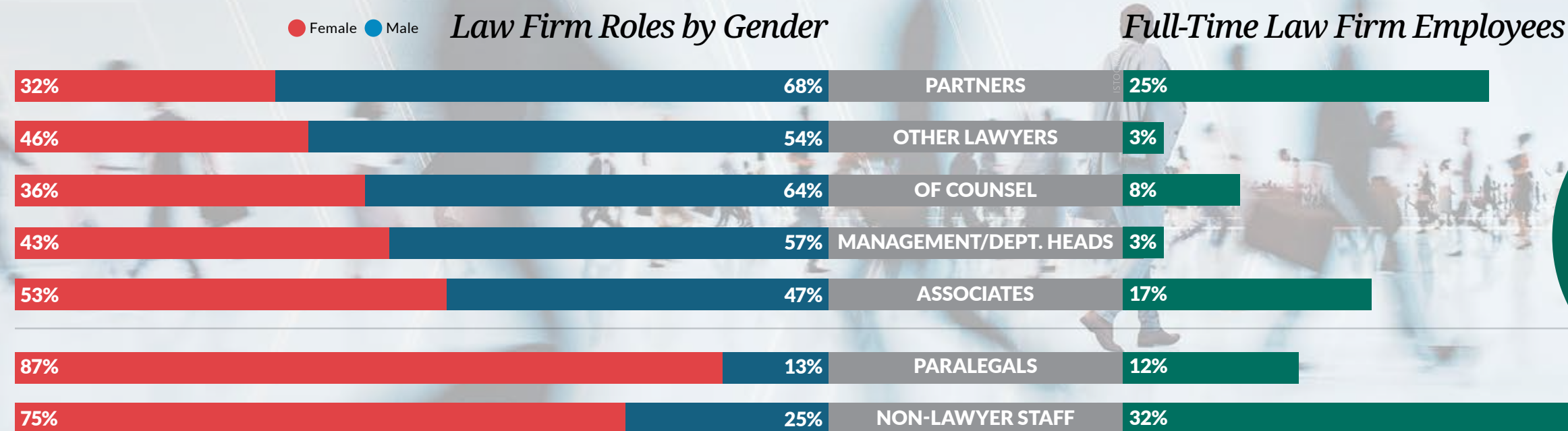
GENDER BREAKDOWN

The number of women in the associate ranks continues to rise. In 2025, firms reported that 53% of associates were women, up from 51% in 2024.

Women remain far less visible in other lawyer roles, however. In fact, despite constituting most associates, women account for just 40% of all lawyers at the more than 4,800 firms we surveyed.

The falloff is most evident in the partnership numbers. Only 32% of partners at U.S. firms are women. The figures are remarkably similar

at firms of varying sizes. At firms of 20-plus lawyers, 3 in 10 partners are women. At firms of 2-19 lawyers, 4 in 10 partners are women. While the lawyer ranks may be predominantly male, law firms employ more men than women overall. That's because women make up 87% of the paralegal ranks and 75% of non-lawyer staff jobs. In total, 57% of law firm employees are women.



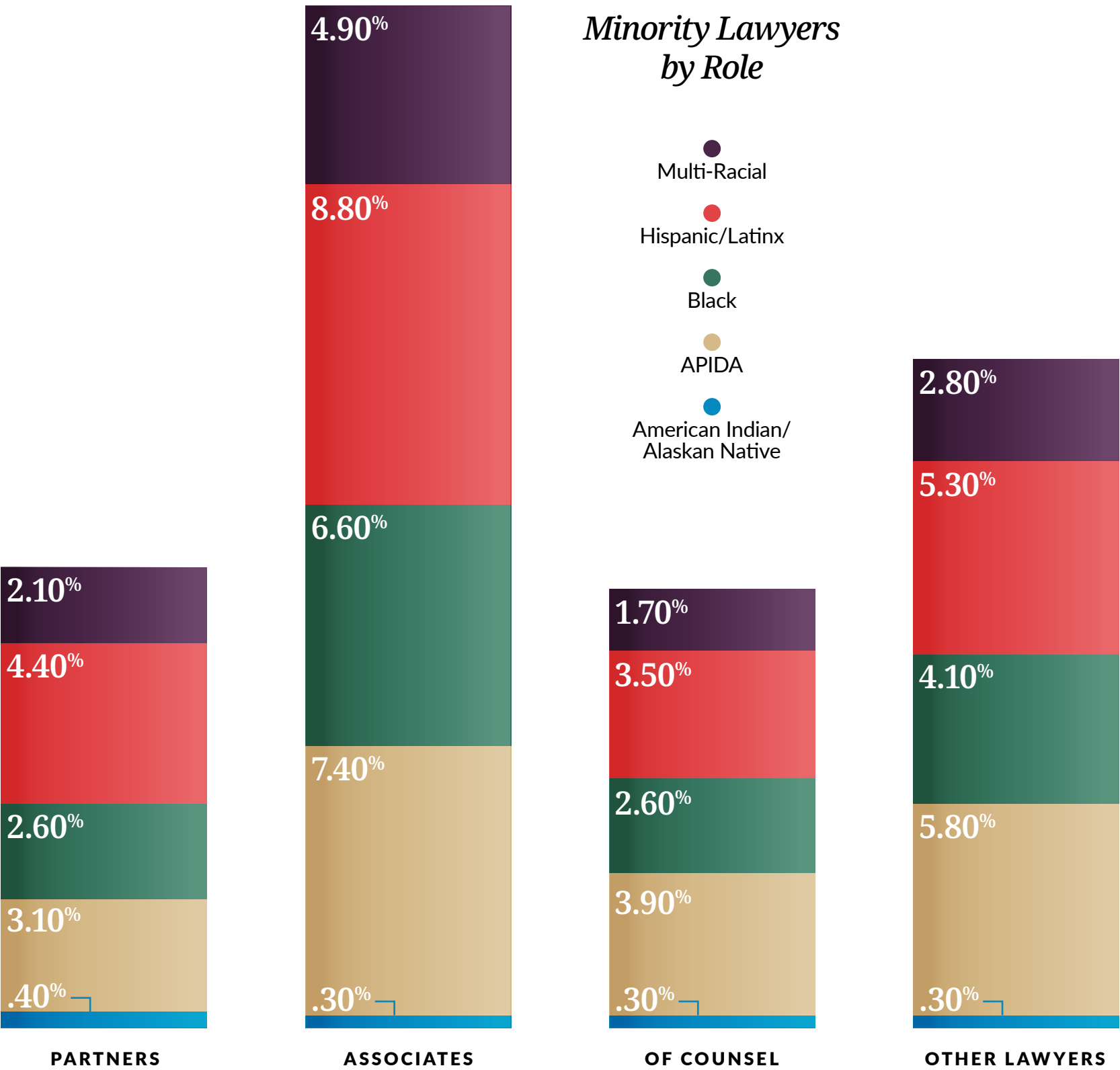
The Demographics of U.S. Firms

RACIAL AND ETHNIC BREAKDOWN

Our data show that 87.5% of law firm partners are white—a figure that is nearly identical for firms of every size. For instance, 87% of partners at firms of 150-plus lawyers are white, compared to 85.2% of the partners at firms of 2-19 lawyers.

Partners identifying as Hispanic/Latinx are the second-largest racial or ethnic group, with 4.4% of partners. Black, Asian-Pacific Islander-Desi American (APIDA), American Indian/Alaskan Native or multi-racial partners each make up less than 3.5% of partner positions.

As with gender, the associate, non-lawyer and paralegal ranks are far more diverse. Approximately 28% of associates belong to an ethnic or racial minority, the highest percentage for any lawyer role. The number of Black, Hispanic and Asian associates ranges between 7% and 9%, our survey shows. About 5% of associates identify as multi-racial. About one-third of paralegals and non-lawyer staff members belong to ethnic and racial minorities.





Has your firm's strategy and investment as relates to diversity changed in the last year?

97% No

3% Yes

DEI Programs: Continuing Support

Since retaking office in January, President Donald Trump and administration officials have targeted corporate diversity, equity and inclusion efforts, threatening businesses—including law firms—with regulatory and legal action in an attempt to end DEI programs.

Given the controversy surrounding DEI, our survey sought to determine whether firms are maintaining support for diversity initiatives or backing away. The first hurdle was whether firms would be willing to provide information about the issue. Many were reticent.

Of the 4,800-plus firms that responded to the survey, 65% declined to answer—a significant increase over the 50% who declined to provide DEI data in 2024. Among those firms, 1,206 left the questions entirely blank and another 1,958 selected “prefer not to say” in response to many of the questions.

Still, just under 1,700 firms provided data—a strong sample of the U.S. market. We asked those firms whether they had altered their investments or strategy related to DEI during the last year. An overwhelming 97% said they had not.

How Are Firms Emphasizing Diversity?

MY FIRM HAS WON ONE OR MORE AWARDS FOR DIVERSITY IN THE PAST TWO YEARS. 5.2%

MY FIRM ACTIVELY MAKES DIVERSITY A PART OF ITS RECRUITING PROGRAM. 35.2%

MY FIRM'S MANAGEMENT HAS MADE DIVERSITY A KEY PRINCIPLE. 34.1%

NONE OF THESE. 25.5%

DEI Programs: Continuing Support

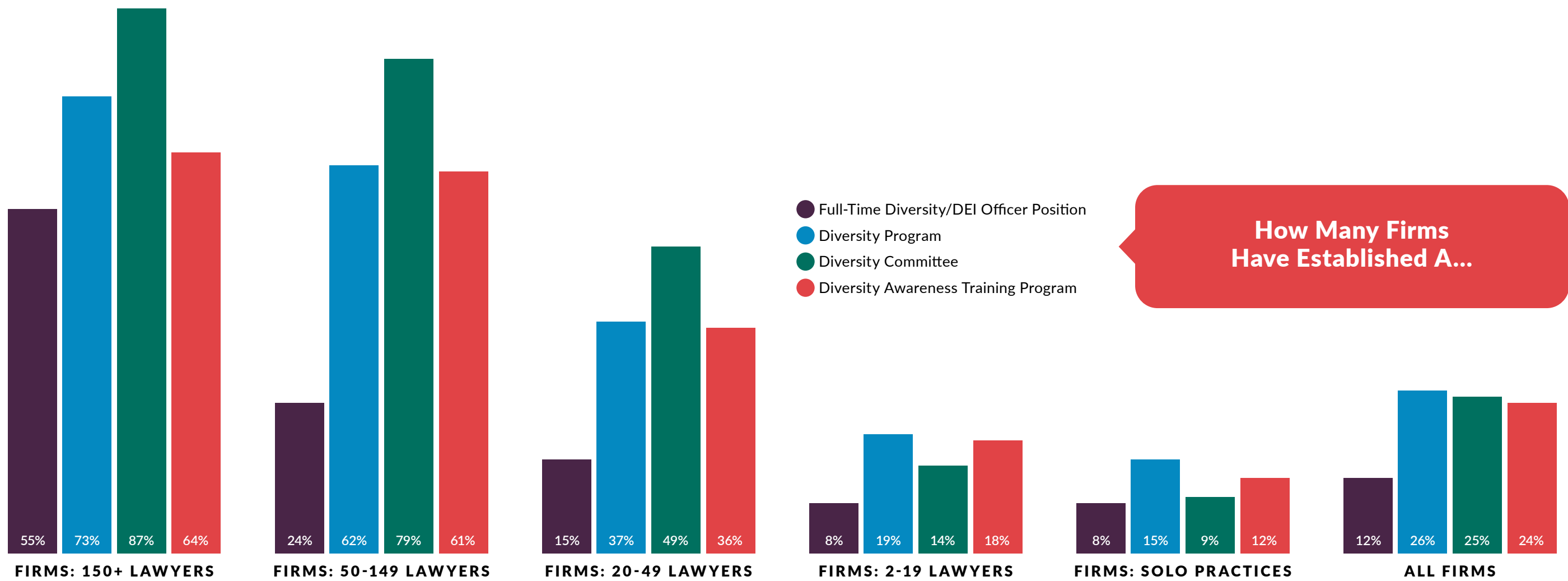
We asked the 3% who said yes to elaborate on the changes they made. In many circumstances, firms said they were expanding their investments. They described adding to the DEI budgets, creating new training modules, launching or broadening DEI-related committees and recommitting to DEI-related certification programs.

A tiny subset of firms acknowledged that they were making changes because of the fraught political environment. They said they were monitoring regulatory actions, reframing their firms’ public language on DEI issues and shifting internal DEI resources to reduce potential risk.

Among the firms reporting DEI-related data, more than 70% said their firms are actively making diversity a part of their recruiting program and that the firm’s management team has made diversity a key principle of the enterprise.

Perhaps not surprisingly, larger firms are investing more in diversity-related infrastructure. Among firms with 150-plus

lawyers, the vast majority report having a diversity committee, a diversity program and a diversity awareness training program. More than half have a full-time diversity/DEI professional on staff. Investments decline steeply as firm size shrinks. Across all firm size categories, about a quarter of firms have diversity committees, programs or training, and just 12% employ a diversity professional.



Pro Bono, Sustainability and Social Responsibility

Earlier this year, the Pro Bono Institute, a leading advocate for law firm pro bono efforts, reported a decline in the number of hours firms were dedicating to helping clients with limited means. Fewer partners were doing pro bono work, the organization said, and the average number of pro bono hours per lawyer remained far below pre-pandemic levels.

Our data shows a similar erosion in pro bono work. Among firms with more than 20 lawyers, the median number of pro bono hours per firm declined year over year by 13%, from 1,162 hours to 1,000. At small firms, those with fewer than 20 lawyers (excluding solo practices), the median hours spent on pro bono rose 24%, from 100 to 124 hours.

MORE
THAN 20
LAWYERS

LESS
THAN 20
LAWYERS

Median Pro Bono Hours, 2024-2025

2024
2025

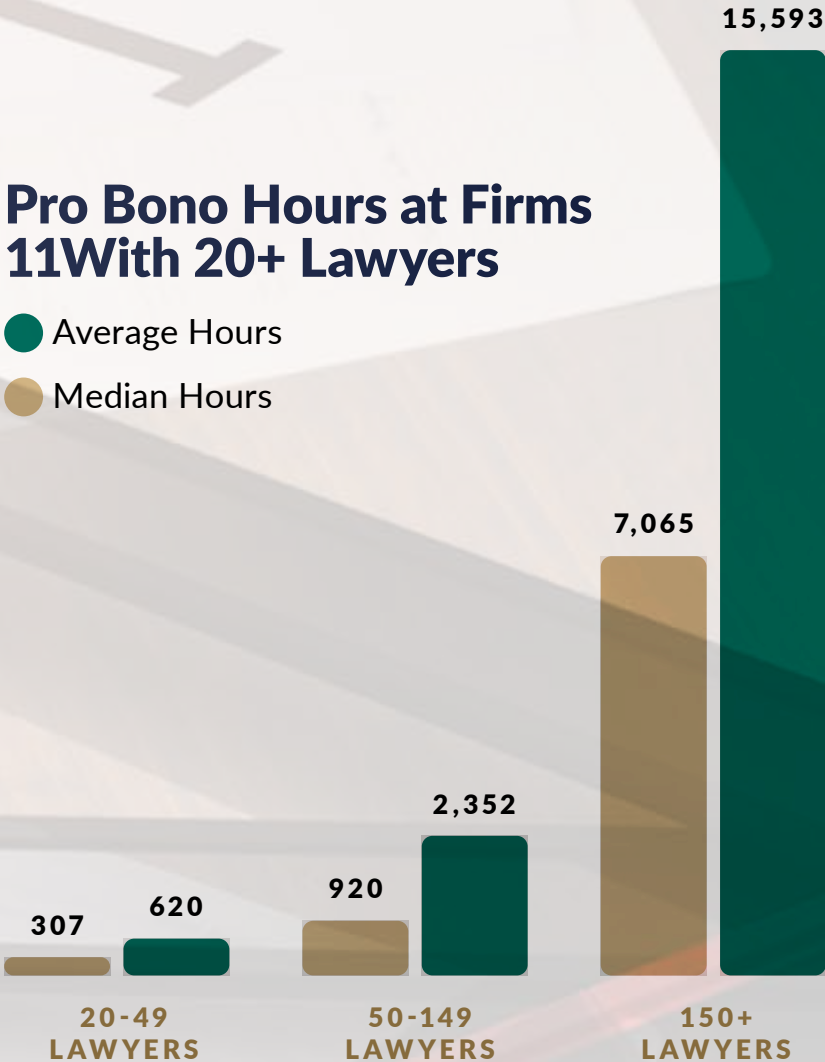


Most pro bono hours, however, come from larger firms. As they grow, firms can support a more developed pro bono infrastructure and spur lawyer participation. For instance, 87% of firms with 150-plus lawyers and 70% of firms with 50-149 lawyers have formal pro bono programs. By contrast, just a quarter of firms with less than 20 lawyers have a formal pro bono program.

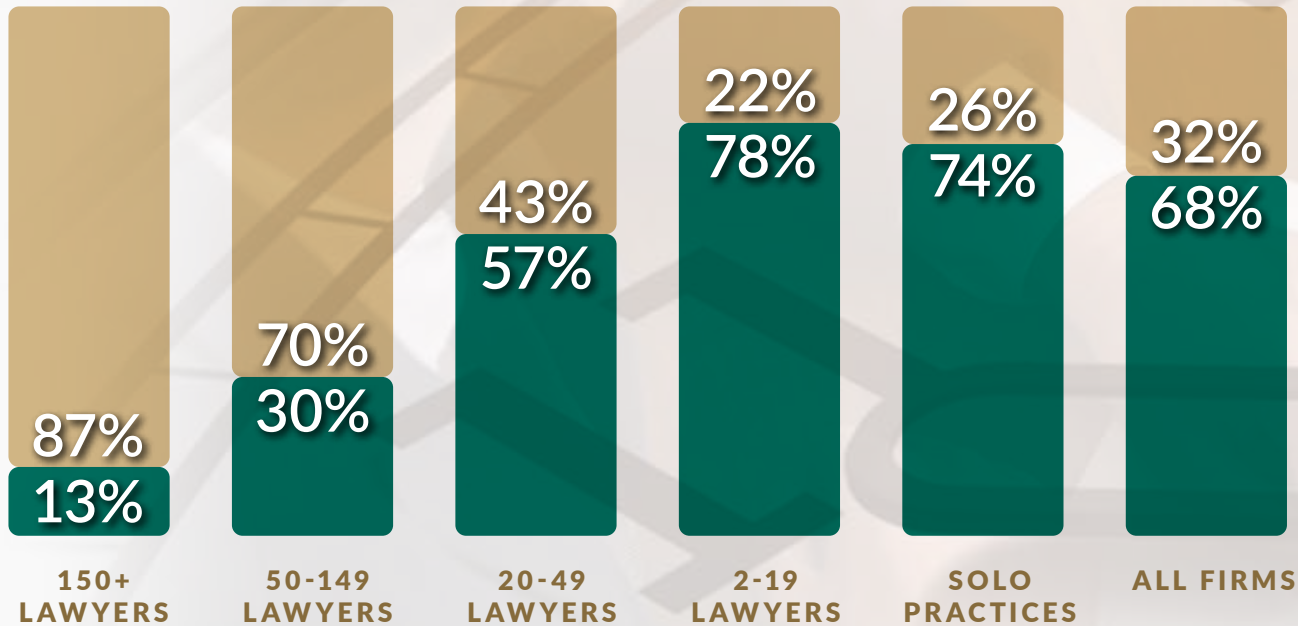
Larger firms also offer bigger incentives for pro bono work. On average, firms with 150-plus lawyers allow 85 hours of billable hour credits annually for pro bono work. That compares to 73 hours at firms of 50-149 lawyers, 20 hours at firms with 20-49 lawyers and 21 hours at firms in the 2-19-lawyer range. Hourly credits for pro bono are hardly universal, however. Less than half of firms said they offer billable hour credits.

Pro Bono Hours at Firms With 20+ Lawyers

Average Hours
Median Hours



Does Your Firm Have a Formal Pro Bono Program?



Pro Bono, Sustainability and Social Responsibility

About one-third said lawyers can receive an unlimited number of credits for pro bono work and 14% cap billable hour credits.

This year, we also asked firms about their environmental, social and governance (ESG) practices. Do they have formal structures in place to help with corporate sustainability, or have they established a social responsibility effort (actions designed to mitigate a business’s current impact and help improve society)?

Formal corporate sustainability efforts are rare. Just 1.6% of firms have established corporate sustainability committees, and 1% have corporate sustainability programs. Less than one-half of 1% have hired a full-time professional to manage corporate responsibility at their firms. Social responsibility programs, committees and training are somewhat more widespread—though hardly ubiquitous. Seven percent of firms have a committee or training program. And just 3% of firms said they have hired a social responsibility professional or officer.

How Many Firms Have...

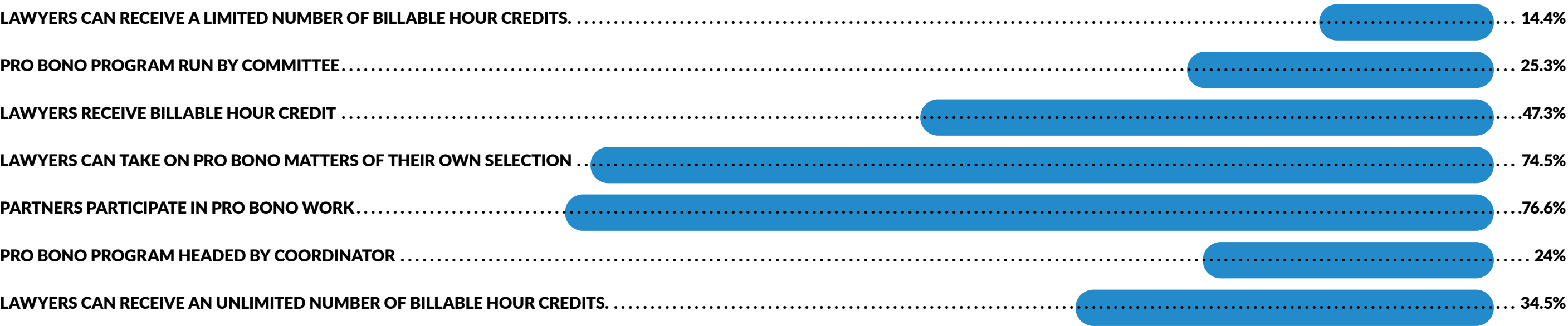
Social Responsibility Professionals, Committees or Programs?



Corporate Sustainability-related Positions, Committee or Programs?



How Firms Are Running Their Pro Bono Programs



Locations: Where Are Firms Investing?

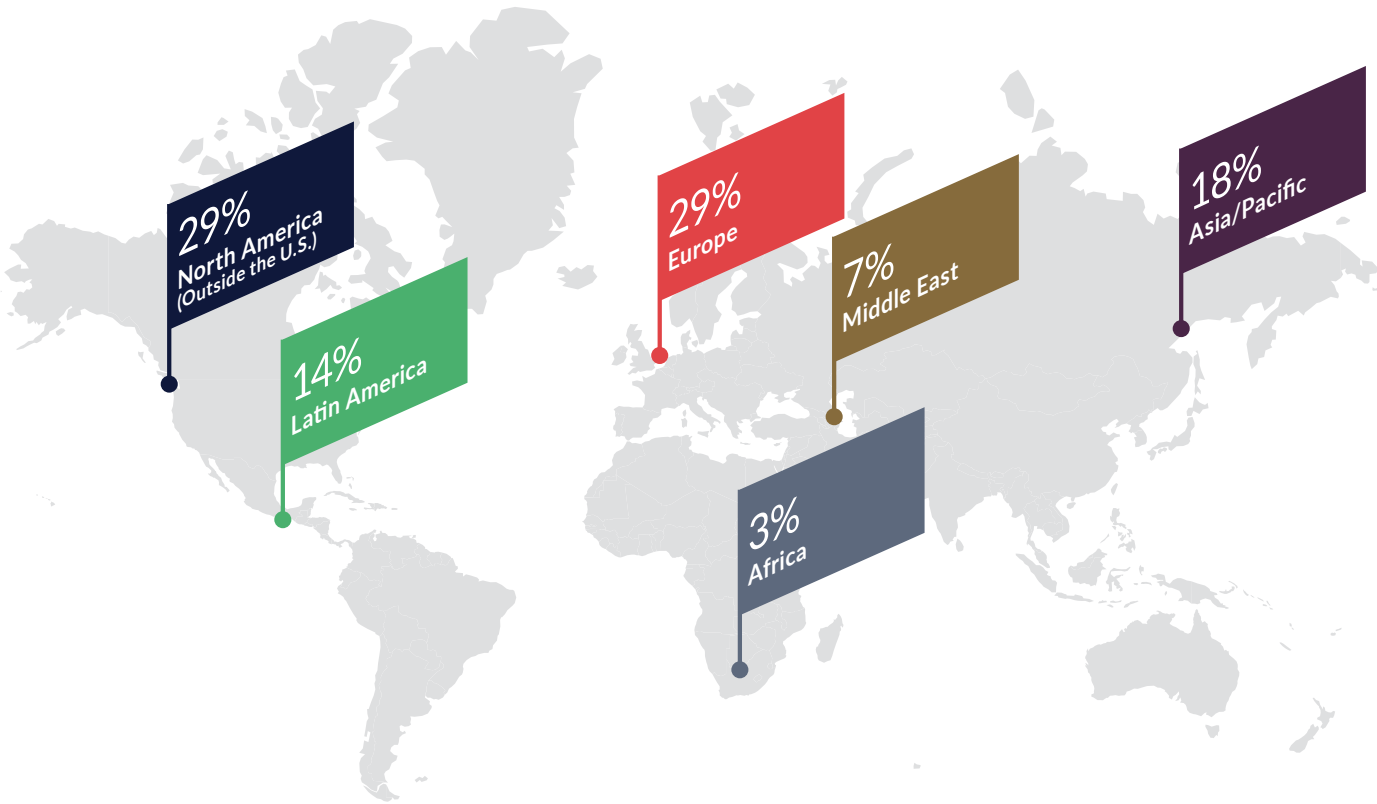
The concept of a law firm spanning multiple continents was relatively unique a few decades ago. Only a few—Baker & McKenzie and White & Case, to name just two—could boast a truly global presence. Now, global law firm giants seem relatively commonplace, with U.S. firms operating thousands of offices overseas.

Given this, it can be easy to forget that the legal business is a relatively domestic affair. Of the more than 13,496 offices operated by firms responding to our survey, just 2,382 (18%) are located

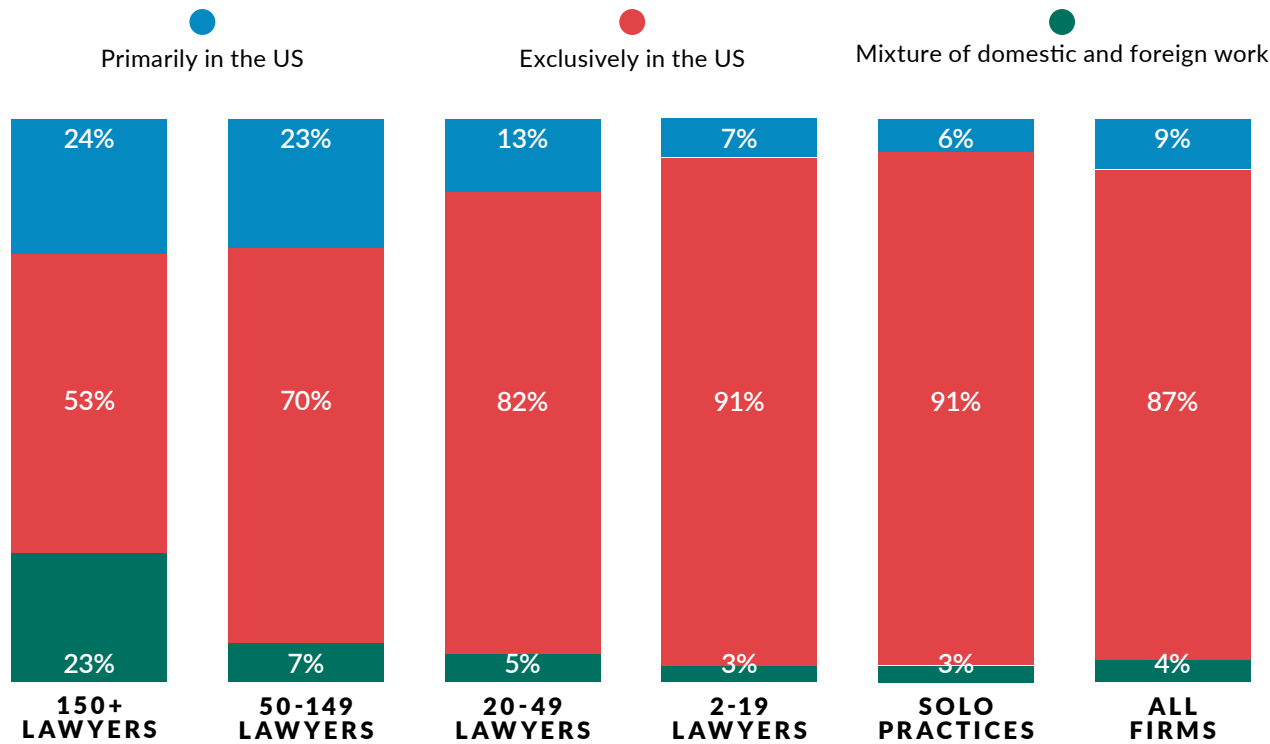
outside the United States. In fact, 9 out of 10 firms with less than 150 lawyers reported that they work exclusively or primarily in the United States.

Larger firms may be more international in scope, yet even they are concentrating on domestic legal matters. Of the firms with 150-plus lawyers, 77% focus exclusively or primarily on U.S. work. Still, large firms are making a significant investment in their overseas presence. On average, they operate 12 offices outside the United States vs. 15 within the country.

Where Are U.S. Firms Doing Most of Their Cross-Border Work?

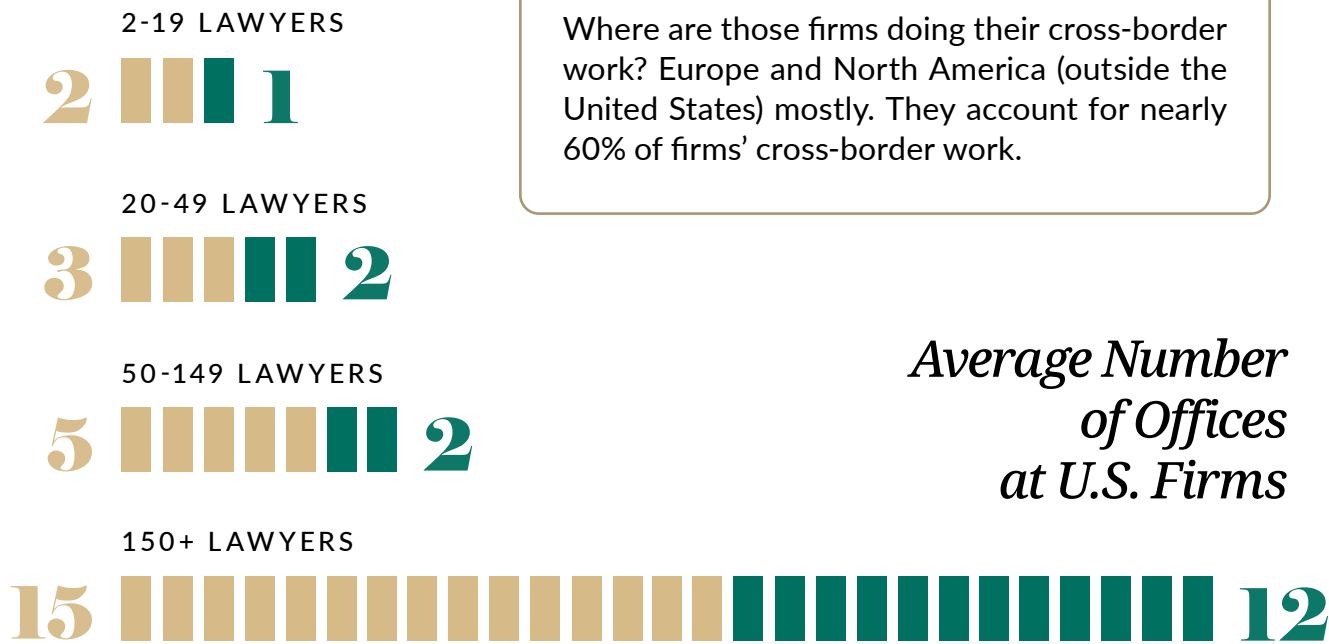


How Much Domestic vs. Foreign Work Are Firms Doing?



CROSS-BORDER WORK

Where are those firms doing their cross-border work? Europe and North America (outside the United States) mostly. They account for nearly 60% of firms' cross-border work.



CONCLUSION

U.S. law firms offered up a mixed bag of results in this year's survey. Revenues were up, but a limited number of firms may have been responsible. Many smaller and midsize firms reported flat results. While clients want more billing transparency and alternative fee arrangements, most firms are offering a limited menu of options. Larger firms are expanding their marketing budgets, yet most small firms lack a basic strategy or the tools to measure success.

Given the hallucinations associated with artificial intelligence, firms are probably wise to take a cautious approach to AI adoption. But the survey results point to growing stratification between small and large firms, which have the resources to fund expensive AI tools. Already, 60% of the largest firms are either piloting AI tools or have fully integrated them into their work.

Diversity programs have faced significant political attacks this year, and many firms are resisting calls to abandon the decades-long effort to bring more women and minorities into the legal profession. Yet progress to the partnership remains achingly slow, and the unwillingness of a majority of firms to discuss their DEI initiatives may be cloaking a pullback from those programs.

Ultimately, the survey depicts a profession under pressure to adapt but uneven in its response. The data suggests that long-term stability for firms of all sizes will hinge not only on financial performance, but also on their willingness to modernize billing, invest in technology and sustain credible commitments to diversity and client service.

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